Watkins, Thomas H.

The soft coal controversy

London

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THE

Soft Coal Controversy

DEBATE BETWEEN

T. H. WATKINS
President, Pennsylvania Coal & Coke Corporation

AND

W. JETT LAUCK
Economist, United Mine Workers of America

AS PUBLISHED IN
NEW YORK COMMERCIAL
AND
THE BALTIMORE SUN
MARCH, 1922

Anonymous gift
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The Scale of Pay

By T. H. WATKINS.

The present time and rate program, which expires at the end of this month in the union fields of the United States, was originally based upon the award of the Bituminous Coal Commission appointed by the President of the United States to settle a national union strike inaugurated Nov. 19, 1919. Three months after the award was handed down and the new scale signed, the miners repudiated it on the ground that it was unsatisfactory as to the rate of pay for men working by the day. In order to avoid another strike, the operators, on Aug. 15, 1920, conceded $1.50 a day additional, making the prevailing standard rate for day men $7.50. Miners' rates by the ton are supposed to and usually yield for a day's work from 20 to 50 per cent over the rates paid the day men.

The United Mine Workers have not carried out any two-year contract they have entered into with the bituminous operators since the expiration of the 1914-1916 agreement.

Wages Advanced 138 Per Cent Since 1914

A brief survey of the wage advances granted to skilled men employed underground in District No. 2, Central Pennsylvania, during the past 10 years will perhaps give the reader the clearest background for sizing up the merits of the present wage controversy in the bituminous field.

Wages of Skilled Inside Labor

Year.	Company hands' 8-hour wage	Pick miners' rate per gross ton
1912-1916	$2.64	$ .72
1916, April	2.77	.75
1917, January	*3.06	*.825
1917, April	3.60	.8995
1917, May	3.60	*†.9495
1917, October	*5.00	†1.0615
1918,	5.00	†1.0615
1919, December 6	*5.70	†1.1847
1920, April	6.00	‡1.3403
1920, August	*7.50	‡1.3403
1920-1922	7.50	‡1.3403

*Increases obtained by repudiation of scale agreement by mine workers.

†Including 5 cents for car pushing.

‡Including 6 cents for car pushing.

June 4, 1931 DA/HEE

Salient Features

(a) Wages of company hands have advanced 184 per cent since 1914. Rates of contract miners have advanced 83 per cent. The weighted average advance is 138 per cent.

(b) The cost of living, according to the statistics issued by the Department of Commerce on Jan. 22, 1922, shows a national increase of 61 per cent over July, 1914.

(c) Taking 1914 wages and living costs as a base, the present wage to match the increased cost of living would be $4.25 per day for skilled inside labor. The present rate is $7.50 per day. The new demands call for the same rate for only 6 hours' work instead of 8.

(d) Living costs in the soft coal fields are actually only about 50 per cent higher than in 1914. This is because the operators have made no increases in the rent of company houses. A 5 or 6 room dwelling still rents at from $7 to $12 a month. "Shelter" is 17.7 per cent of the department's budget and shows a national increase of 69 per cent since 1914. Deducting this item of increase from the miner's budget, it will be found that he can buy as much with $1.50 today as he did with $1 in 1914. In other words, he can live as well on a wage of $3.96 today as he did on his wage of $2.64 in 1914.

These are comparisons useful to bear in mind and reinforce the operators' demand for a prompt and reasonable reduction.

Why Employment Is Intermittent in Union Fields

For nearly a year of the period of the present contract the cost of living remained at a high peak, when finally the strain produced by false economics, speculation, profiteering, high wages, inefficiency, demoralized exchanges and loss of export trade resulted in a general buyers' strike and business collapse.

It soon became evident that a readjustment of costs and a restoration of efficiency was necessary, as an equitable balance between the different industrial groups had to be regained in order to avert further disastrous consequences. Farmers, through lack of markets, were forced to take less for their products. Factory owners found themselves without orders. Copper, steel, iron, building and the lumber industries were suddenly prostrate for lack of business. Railroad freight rates were on a pinnacle largely due to a surrender by the former railroad administrator and the Railroad Labor Board to the demands of railroad employes and unions. Nevertheless, economic laws were asserting themselves with an irresistible force and many adjustments were rapidly made.

It must be remembered that approximately 40 per cent of the workers in bituminous mines have no affiliation whatever with the United Mine Workers of America, although for 20 years they have been aware of the so-called benefits of this organization and have witnessed its turbulent attempts to bind 100 per cent of the miners to its policies and its treasury.

Soon after the economic collapse, and early in 1921, the non-union operators and miners, free to negotiate without the embarrassment

of union domination or contracts, quickly adjusted to a fair and equitable basis, and seized the opportunity to secure business formerly going to union operators who still remained on the high peak of war wages and whose costs were also increased by the inefficiency due to autocratic union domination.

All efforts to secure a reasonable modification of the existing contract in order that the union mines might retain their usual percentage of production failed, with the reply that the wages were not only to be maintained, but further demands increasing cost would be made. Idle mines and intermittent employment throughout the union fields were the immediate and inevitable result. It could not be otherwise, since the non-union mines were capable of supplying over one-half of the nation's current needs.

Now the leaders responsible for this result demand a further wage increase, giving as a reason the intermittent work resulting from previous increases. They would double the dose of poison to effect a cure.

And yet the business men, who must market this coal in order to give their men any work at all, are expected to spend days or weeks around a conference table discussing these proposals.

And when the miners' leaders come to that conference table they are previously pledged to say just one thing: "Grant these demands in full or we strike!"

How can the public swallow the effrontery of the miners' agents who try to call this system "collective bargaining"?

No citizen of this country or any other is exempt from the operation of inexorable economic laws. No one class can consider itself exempt from a burden which rests upon the whole people. Any other policy must ruin the union fields and finally add hundreds of millions of dollars to the nation's coal bill, while the "industrial conflict" advertised by union leaders is being waged to its bitter and hopeless end.

In concluding, let me try to make one point clear; this struggle in the union fields is not at the moment so much a difference over wage rates as it is a war of aggression on the part of the United Mine Workers.

This organization is not fighting on April 1 for the five-hour day and six-day week; it is fighting another stubborn battle in a long and deliberate campaign to seize and dominate the nation's essential industry.

If the cause of these men is just the Constitution gives them liberty to advance it by every peaceful means. In recasting Judge Anderson's injunction the Circuit Court of Appeals reaffirmed the union's right to organize and proselyte without interference so long as it avoided force or intimidation. The operators now employing union labor court a resumption of true collective bargaining. They welcome a wage agreement which would furnish a basis for a resumption of work in a readjustment industrial world and whose faithful fulfillment by the miners' union could be guaranteed.

There is no reason for a strike at this time except an overbear-

ing ambition for complete power in the soft coal fields on the part of those who now direct the destinies of the organized mine workers.

By W. JETT LAUCK

The bituminous mine workers are requesting a continuance of their present wage scale for another period of two years. Existing rates of pay were established two years ago by the Bituminous Coal Commission, which was appointed by President Wilson in January, 1920, to adjust by judicial inquiry and action the differences as to wages and working conditions arising from the nation-wide soft coal strike during the last two months of 1919.

The award of the Bituminous Coal Commission raised the wage scale of bituminous mine workers 27 per cent, on a general average, over pre-existing rates. The rates of pay of day workers in and around the mines were increased $1 a day, and later, by conferences, were standardized in union districts at a minimum daily rate of $7.50. The compensation of pick and machine miners was increased proportionately, or, in specific terms, was advanced 24 cents for each ton mixed. It is the scale established by this decision which the mine workers are now requesting to be continued until 1924.

The first impression of those who are not familiar with conditions in the bituminous coal industry undoubtedly is that these rates of pay are relatively high and out of joint with wages paid for similar work in other industries. A minimum rate of pay of $7.50 for unskilled workers seems excessive.

The determining factor to bear in mind, however, is not the actual rates demanded but the opportunity to work at the rates requested. An industrial worker, either on a time or piece work basis, may have an unusually high scale of rates, but if the opportunity for employment is restricted his earnings will be less than those of other wage-earners more regularly employed at lower rates. Earnings or income are dependent on days worked.

Production Seasonal

The production of bituminous coal is really a seasonal and a part-time industry. The soft coal miners' field of employment, because of the underlying conditions in the industry, is more fluctuating, uncertain and restricted than the limitations imposed by weather conditions on the building trades. Time rates and piece rates must, therefore, be correspondingly high.

The capacity of the bituminous coal mines of the country is now officially estimated at approximately 800,000,000 tons annually. The yearly demand for soft coal for all purposes under normal conditions is only about 500,000,000 tons. Because of the surplus in productive capacity and the unregulated competition which prevail, there is a loss each year in the industry of approximately one-third of the possible working days. During the 30 years ended with 1918 the bituminous coal mines have lost an average of 93 working days a year. In addition to this lack of opportunity for employment be-

cause of the overexpansion of the industry, there are violent seasonal fluctuations ranging from the peak of demand for coal in autumn and winter to the slackness in spring and summer requirements.

The number of days actually worked for the industry as a whole during the period 1888-1918 was on an average only 215 days a year. There are no official figures available for last year as a whole, but returns gathered by the district officials of the United Mine Workers of America show that during the entire year 1921 the average number of days operated was only 123 in the Pittsburgh district, 118 in Ohio, 148 in Indiana, 130 days in Western Kentucky and only 80 days in the New River district of West Virginia.

Significance of Demand

These figures represented only the average number of days the mines operated and not the average number of days the whole body of mine workers were employed. As a rule, operations were conducted with reduced forces. In the New River (W. Va.) field, by way of illustration, it was reported that hundreds of miners "got only from 14 to 28 days' work during the entire year of 1921," and in Tennessee "approximately one-third of the total number of miners worked one-third of the time during the year."

In the light of these conditions the real significance of the demands of the United Mine Workers become clearly apparent. Their earnings at prevailing rates, even under formal operating conditions, are entirely inadequate and, under the subnormal conditions of the past year, have been below a bare subsistence level. The average earnings during the year 1921 for only the men actually employed, as reported by the district officials of the United Mine Workers, have been as follows:

Pittsburgh district	$763
Ohio district	550
West Virginia (New River)	500
Tennessee	420

These are the only districts from which earnings are available for 1921, but they are typical and representative of conditions which have prevailed.

Under these conditions of employment and earnings, what the United Mine Workers are actually demanding therefore are not high and unusual rates of pay. The claim of the mine workers in the wage negotiations and adjustments of two years ago was for rates and opportunities for employment which would enable them to earn a living wage. Today the mine workers are again putting forward the same fundamental demand.

Ambition for Basic Wage

The miners' ambition as to basic living wage for the industry has been nowhere better expressed than a statement made by Eugene McAuliffe, a prominent business operator and president of the Union Coaling Company, of St. Louis. In an address before the Institute of Mining and Metallurgical Engineers in March, 1920, he said:

"The cost of producing coal must be kept within bounds, and at the same time labor must be paid a wage equal to that earned in like lines of endeavor, and which will guarantee to the worker the full American standard of living; a margin that, if conserved, will insure him against privation and want in sickness and old age; the opportunity to secure proper additional social, educational, and recreational privileges for himself and his dependents."

The United States Bureau of Labor Statistics in the early part of 1920, at the request of the Bituminous Coal Commission, made a study of the cost of living of bituminous mine workers in representative mining communities.

This impartial study showed that at the prices prevailing at the beginning of 1920 an annual wage of $2,118 was necessary for the support, in health and decency and with a minimum amount of comfort, of an average family consisting of a mine worker, his wife and three dependent children of school age. On the basis of the reduction in prices which have occurred during the two years which have ensued (or, up to January, 1922), the mine worker would now have to earn $1,870 annually in order to meet the requirements of that conservative budget or standard of a living wage.

Coal Commission's Decision

In its finding as to wages the decision of the Bituminous Coal Commission of 1920 was remarkable. The principle of a living wage was accepted and the declaration was made that its application was desirable as far as was then practicable. In making its award the commission expressed the hope that the cost of living was about to fall, and added that:

"We realize that the miners have borne an increase above their advance in wages and consider the possible future decline in living costs as an offset for their losses."

The award of the commission amounted to an actual increase of 27 per cent over pre-existing rates of pay. The commission obviously intended that the purchasing power of the mine workers should remain until April 1, 1922, at a point at least 27 per cent higher than the pre-strike purchasing power and that any increase in purchasing power due to possible lower price levels should serve as an offset to past losses by the mine workers arising from the failure of rates of pay during the war period to increase as rapidly as the cost of living.

A comparative study, however, of opportunities for employment and changes in cost of living shows conclusively that, with the exception of October, November and December, 1920, the average purchasing power of the earnings of the mine workers has at no time exceeded that fixed by the commission as proper and has even, at times, fallen greatly below the pre-strike purchasing power, or, the real wages of the mine workers before the commission made its decision.

The demands of the United Mine Workers are therefore conservative. The soft coal miners, because of the continuance of the

industrial depression, have no immediate prospect for a greater opportunity to work than they had in 1921. Should conditions improve, however, and should the record of the past 30 years, by some happy development, be attained, of approximately 215 days of employment, and should a mine worker achieve the impossible by working every day even under these inconceivable conditions, earnings and real wages would barely approach the status of a living wage. As conditions actually are the bituminous mine worker, on the basis of retaining his present rates of pay, will be fortunate in the immediate future if he can earn sufficient to meet the requirements of a bare, physical subsistence for himself and his family. For this reason a reduction in his present rates of pay would be indefensible.

Misunderstood by Public

There has been much misrepresentation by the operators and widespread misunderstanding by the public of the request of the mine workers for a six-hour working day and a five-day working week. It has been made to appear that the United Mine Workers wished to work only five days a week and six hours a day, when, as a matter of fact, what the mine worker really desires is a guarantee that he will have at least five days' work each week. By a six-hour working day the mine worker means the six-hour period at his place at the face of the coal or in the mine. The five-day weekly working period, it was hoped, would aid in correcting the existing intermittency or seasonal character of the industry. This demand is really directed toward securing a guarantee of more work and more regularity in work.

If this necessary end cannot be secured in this way, to the mind of the mine workers, the Government must intervene to regularize the industry by eliminating its surplus commitment of capital and its oversupply of labor. If we are to judge by English experience with the seven-hour day in coal mining, present standards of production would be practically maintained by the inauguration of the six-hour day in this country, but the more fundamental problem of the over-expansion of the industry, with all its attendant evils, would remain. This can be overcome by a provision in the wage agreement under which the operators would, as a condition of employment, guarantee wage payments for a certain period of time, whether the mines operated or not. This would ultimately extend the opportunity to work by concentrating production in the most advantageously located and best managed mines, and would gradually, without serious dislocations, eliminate the surplus capital and labor in the industry. The only other alternative is the securing of the same results by drastic public intervention.

Pending the adoption of either of these policies, the existing rates of pay of the mine worker should be continued in order that, under the present diseased operating conditions of the industry, he may have an opportunity to earn a living wage.

The Principle of Collective Bargaining

By T. H. WATKINS

If I understand the meaning of the term "collective bargaining" my answer is, "Yes, it is desirable for both operators and men."

In my judgment, however, the practical application of the plan which the miners' leaders are trying to force on the industry is a dangerous perversion of a good principle, and one which the operators cannot be expected to accept.

In the bituminous industry, collective bargaining was practiced with more or less success for nearly 20 years prior to the war in what is called the central competitive field, covering Illinois, Indiana, Ohio and a portion of western Pennsylvania. Approximately 35 per cent of the production of the United States comes from these districts.

Twenty-five years ago ruthless competition, resulting from over-production, had brought both miners and operators to a point where conditions for both were intolerable. The miners' organization grew out of the ruins of an organization called the Knights of Labor. Coal operators to some extent encouraged the growth of the new union in order to help equalize the rates paid to miners in different mines. The miners' leaders used the plausible argument with the operators that in order to prevent competition between operators on wages and working conditions that they should enter into period contracts.

Basis of Check-Off

Furthermore, in order that their unreliable following might be compelled to support the union and faithfully comply with the contracts made by their officers, they persuaded the operators to collect the union dues and assessments from the earnings of each of the miners. This practice was called the "check-off" and has naturally resulted in the equivalent of a closed shop agreement, with every worker inside and outside subjected to this levy, which has resulted in an enormous union war chest, whose uses will be described later.

In the foregoing manner so-called collective bargaining developed in the central competitive field.

As fast as other districts in different states became organized they were subjected to the rates and conditions fixed by the central competitive field. This arrangement became increasingly cumbersome and unsatisfactory, due to differences of conditions between the central competitive field and the other districts.

When the central field failed to reach any agreement in 1919 the union miners of the whole country were ordered on strike, without even presenting their grievances to their employers.

Basis of Wage Scales

The central competitive field agreements have been the basis upon which the mine workers compelled the unionized operators of all other districts to form their wage scales. Even as far back as 1916 this Middle Western conference had ceased to be the true collective bargaining. By 1919 it was representative of only a little more than a third of the operators for whom it assumed the right to dictate the wage contracts. The tail had been wagging the dog.

The tail failed to wag the dog in 1919 and caused a national strike. The miners stubbornly insist on the preservation of this unnatural program, because they imagine it permits them to muzzle two- thirds of the operators while they force their demands down the throats of the isolated third.

As a matter of fact, even the operators of the states composing the central competitive field can no longer find enough in common in their mining and market conditions to warrant them in submitting to a uniform and ironclad scale for all four states. Pittsburgh and Ohio operators find their conditions and necessities at variance with those of Illinois and Indiana.

The enormous increase of cheaply produced tonnage from West Virginia and Kentucky is a competitive factor which they must recognize and meet, or be forced out of business. Illinois and Indiana also have new and different problems. Had it not been for the war and the arbitrary adjustment of wages by the Fuel Administration and the United States Coal Commission the breaking up of the central competitive field conference would have occurred long before this.

Mine Workers' War of Aggression

I have described how the operators of the central competitive field helped to create a monopoly of union labor with funds turned over to their organization from the payrolls by means of the "check-off." This monopoly, like others, grew in power until it has spread its tentacles throughout the United States.

It exercises a power undreamt of by any old time Wall Street, banking, railroad or industrial group in this country—a power which in the hands of a radical group such as now holds office can strangle the Government itself. Indeed, in November, 1919, the attempt was made, when they violated their national wage agreements and called a strike on the verge of winter. They flouted the courts and the Government authorities without effort to conceal their contempt of constitutional restraint and only released their stranglehold when the Adminstration yielded and gave them the sort of arbitration they wanted—a commission on which only one representative of the public was seated. The commission should have had five representatives of the public's interests, sitting with one operator and one mine worker.

Sought Entire Control

Their victory on this occasion fanned their ambitions to seek quick control of the whole country by increasing their dues and levying extra assessment, all of which were automatically collected for them by the operator through the "check-off."

They thus secured funds for their campaign in West Virginia. The history of marching armies with machine gun equipment and a war fund of $2,500,000 is too recent to dilate upon.

Peaceful penetration or moral suasion was too slow for Napoleonic minds.

Collective bargaining became collective brigandage.

"Deal with us or we will use force. Deal or we will strike your men. If they won't strike we will terrorize them, and their wives and children, until they join us."

"Collective bargaining" they still preach to a gullible public, to camouflage their campaign to dominate the industry and eliminate the employer and investor.

"Communistic Aims of Mine Workers"

In 1912 the miners' union amended its charter to make their objective "the full social value of their product," which means the entire proceeds of the coal at the mine, with the elimination of the capital employed, as well as the management and supervision of the operator.

Yet with this program publicly proclaimed they pretend to desire to do collective bargaining. When they meet the operators they are pledged by their convention in advance to say only one thing: "Grant these demands in full or we strike!"

True Collective Bargaining

I believe in the collective bargaining of operators and their employes. You know who you are dealing with in that case. It is not only feasible but desirable. The operator needs the co-operation and good will of his men. He can only obtain it by fair wages and square dealings. When dealing with our own employes, whether members of a union or not, we can discuss facts of common interest. Under present conditions we are kept away from them, and they from us. The coal miner has been carefully schooled for 20 years by the professional labor leader to distrust and hate the business men who have created the industries which give the miners their livelihood.

It might even be desirable and practical for all the operators and all the miners in each district where mining and market conditions are similar to bargain collectively. This is being done with fair success in the anthracite region today where there has been no general strike for 20 years.

But it has been definitely proven that nothing but turmoil and excessive costs can result from the attempt to do collective bargaining on a national scale—particularly when the group that bargains knows little and cares less about the problems of two-thirds of the mines on which they intend to impose a working agreement.

I recognize that it is useless at the present time to secure the assent of the miners' leaders to any modification of their rule-or-ruin policy.

Any autocratic and highly centralized system depends on keeping its constituency in ignorance of all facts, except those that are pre-digested for them at headquarters. It depends on the strict discipline of every member and the suppression of any voluntary individual thought or action. It depends on the isolation of their membership from personal contact with reasonable groups of employers in any district. The history of any defunct, war-waging feudal state will furnish the example from which present union methods are modelled.

Mine Committees Taboo

Mine committees in regular conference with the employer's staff would, of course, remove causes of friction—but might cost the professional agitator his power and his job. They are taboo.

It should also be possible to work out from a minimum wage basis a profit-sharing plan, but there, again, each operator and his employees must work together in their mutual interest; the professional labor leader sees no room for himself in this plan.

A square deal and the Golden Rule can be put in practice in the coal industry.

Such a view will probably be called sentimental and idealistic, but out of the approaching crisis a settlement will come.

What will it be—autocratic class control or sane collective bargaining?

By W. JETT LAUCK

The only stabilizing force in the bituminous mining industry during the past quarter of a century has been the United Mine Workers of America. The operators in the central competitive field who have been parties to the trade union agreement have constantly, year by year, urged the complete unionization of the industry. At the present time they are urging district or local conferences because they believe they must be freed from union standards of work and compensation in order to meet the cut-throat methods of non-union districts. They would prefer, if their statements during the past 25 years are to be taken at their face value, to have the entire bituminous coal industry unionized and thus secure uniformity in standards of work and compensation, labor costs and in general competitive conditions.

The non-union operators, and especially those in West Virginia, are the Ishmaelites of the soft coal industry. Their hands are against all that is constructive and stable. Their methods are destructive and relentless. They are engaged in pursuing their own self-interest without regard to the welfare of the mine workers, the enlightened policy of the industry as a whole or the best interests of the public.

Non-Unionized Fields

The non-union fields are a constant menace to peace and stability in the industry. By extending hours of work and reducing rates of pay the object of the non-union operator is to undersell the union

operator in competitive markets because the union operator is handicapped by his observance of human standards of work and compensation established by trade agreements. The non-union operator's attitude toward the public is also one of sham and hypocrisy. He is constantly declaring that the United Mine Workers is a lawless organization with which he will have no contact and, on the other hand, he is making encouraging assurance to the public that he will provide coal in the event of a strike in the union fields, when, as a matter of fact, he is fundamentally fomenting industrial warfare with the object in view of increasing his own profits by taking advantage of and exploiting the necessities of the public in the event of a strike.

It is the contention of the mine workers that the principle of labor organization and trade agreement in the bituminouss coal industry is not only lawful but has been beneficial to the industry and to the public as well as to the worker, and that the interest of all of these three parties is concerned not only with the maintenance of this principle but with its expansion to the whole industry.

Vicious Production Conditions

Vicious conditions of production existed during the early days of cut-throat competition in the industry. Because of rapid over-expansion in capital commitments and the resultant competition, labor received far less than a subsistence wage, and, working under deplorable conditions, was bitterly resentful and discontented. I..vestment capital was unwilling to enter the industry, and as a result coal mining became largely a gambling, speculative enterprise.

The breaking point came, as it was bound to come sooner or later, in the year 1897, when the United Mine Workers called a strike. The organization was then young, having been established only in 1890, and having in 1897 a membership of only about 10,000. The wretched condition of labor at the time is nowhere more strikingly shown than in the fact that some 150,000 men, practically the entire Central Field, responded to the strike call.

From this strike there resulted the joint conference and joint agreement of 1898. The districts represented were Ohio, Illinois, Indiana and Western Pennsylvania. The operators of West Virginia were invited, but did not respond.

Agreement of 1898

The conditions leading up to this conference and the resulting agreement of 1898 have already been noted. Because of unrestricted competition in an over-developed industry, wages had fallen below even the subsistence level and profits had fallen below anything like an adequate return on the investment. The principal thing which both parties expected to gain from the agreement was the continuance of uniform and undisturbed labor conditions at least for the period of the contract. In addition labor was granted an 8-hour work day and a slight increase in wages. The operators derived no specific benefits other than those, which were of inestimable value to them, of industrial peace and substantial uniformity of labor for all opera-

tors in the Central Competitive Field. All of these things were perfectly lawful and in accord with the best public policy.

The agreement of 1898 in the Central Competitive Field ran for one year. At its expiration a similar agreement for the succeeding year was negotiated. Thereafter, until the present time, successive agreements of this character have been negotiated for periods of one year or two years for the same group of states, and later, the same policy of joint agreements was extended to other fields, such as the Northwest and Southwest fields. In every case, the idea was to establish substantial uniformity of labor conditions for the states or districts within the same constructive area.

Extended to Other Fields

As a part of this agreement the United Mine Workers of America was under the obligation to extend its conditions to all other fields, so as to bring about uniformity in competitive conditions. This desire of the union to organize other fields was not a result of a conspiracy between the organization and the operators of the Central Competitive Field, as has recently been so absurdly and unsuccessfully claimed by the non-union operators of West Virginia.

The operators of the Central Competitive Field naturally desired the union agreement extended to West Virginia and other competitive fields. They had just emerged from a disastrous period of cut-throat competition and were endeavoring in every way to establish industrial peace, which would mean increased efficiency of labor, accelerated production and stability of mine operation. To accomplish this they had agreed to better working conditions for their employes. This agreement raised somewhat with labor costs and naturally placed them at a disadvantage with another state where no recognition had been given to the claims of labor which everyone admitted were fair and just. The Central Competitive Field operators were in about the same position as the Massachusetts textile manufacturers after that state had placed serious restrictions upon the employment of women and child labor, while the surrounding states had no such restrictions. Naturally the Massachusetts manufacturers strongly desired that similar legislation should be enacted by Rhode Island, Connecticut and other competitive states.

Unenlightened operators in West Virginia and other unorganized fields, however, saw in the union agreement an opportunity to take advantage of the operators who had agreed to more reasonable and humane working conditions. About this time, also, the United States Steel Corporation acquired immense coal holdings in West Virginia, Alabama and Western Pennsylvania, and at once placed its immense financial support back of the anti-union operators.

Fight to Organize

Under these conditions a ceaseless fight has been waged by the United Mine Workers to organize these areas, and everywhere it has been met by bitter and relentless opposition. Numerous lives have been sacrificed. Millions have been expended by both sides.

There has frequently been complete breakdown in civil government. The losses to the public have been incalculable. The non-union fields now consist of parts of Pennsylvania, Maryland, West Virginia, Kentucky, Tennessee, Alabama, Virginia and small areas in the West, producing altogether about 25 per cent of the total coal supply of the country. Practically all non-union areas of any consequence are in West Virginia, Pennsylvania and in Eastern Kentucky, Alabama, Tennessee and Southwest Virginia. The competition of these areas for the markets of the Central Competitive or union fields has been so serious that union operators have evidently felt that it is necessary to throw aside union contracts to save themselves.

The real situation has been nowhere better expressed than in a recent statement by the National Catholic Welfare Council, based on the principles of the Pastoral Letter of the Catholic Hierarchy in 1919. It says:

> About 4 per cent of the coal miners cannot practice collective bargaining. The lower wages which the non-union operators are paying give them an advantage over the operators in the union fields, and the failure to organize successfully the miners in the southern parts of West Virginia, Alabama and parts of Pennsylvania has weakened the miners everywhere. Now they are threatened with a complete breakdown of the system of collective bargaining, and it is chiefly because of this that they are about to strike. Unions are "necessary in the struggle of the workers for fair wages and fair conditions of employment," according to the Pastoral Letter, and it is in defence of their union that they are preparing to strike.

The present trouble, therefore, does not arise from any fundamental opposition among union operators to trade unionism as a basis for collective bargaining, or against the United Mine Workers of America. The interstate agreement, which has existed since 1898, therefore, threatens to be disrupted not because the operators are opposed to the union, but because the anti-union operators are by indefensible methods of competition driving the union operators out of their markets. As a consequence the United Mine Workers of America, which has been a lawful and stabilizing factor in the industry, is the victim of a conspiracy among non-union operators to break down standards of work and compensation which have been sanctioned for 25 years by 80 per cent of the industry and by enlightened public opinion. Under these conditions public policy and the common interest demand the corporation in the next wage agreement of two principles contained in Senator Kenyon's recent proposals:

(1) The right of mine workers to organize and bargain collectively through representatives without discrimination.

(2) That any decision as to wages and working conditions should be applicable to the whole industry or to both union and non-union districts.

"Check-Off System"

The early immigrant miners to this country were English, Scotch, Irish and Welsh. They brought with them the custom of their native countries as to the "checking off" or the deduction of union dues from the payroll by the operator. As a consequence the practice was embodied in many of the joint agreements. It was not conceived or brought forth as the means of giving practical financial support to an alleged conspiracy between the operators and the mine workers of the Central Competitive Field when the first agreement was made in 1898. Indeed, no reference was made to the check-off in the agreement of 1898, and there is not the slightest indication that it was even discussed in the conference.

There is nothing wrong in the practice. It has been recently sanctioned by the Federal Court in Chicago as legitimate. It is not based on the closed shop principle. Complete unionization is not dependent upon it, as experience in the anthracite field has demonstrated. The emphasis which has been placed upon it in recent discussion has arisen from the efforts of the non-union or anti-union operators to weaken or disrupt the United Mine Workers.

The Public's Interest

By T. H. WATKINS

In previous articles I expressed my opinion on the present scale, and pointed out the cost of the new one proposed by the mine workers, which would increase the nation's coal bill by over $400,000,000 if applied at all bituminous mines.

I assume that the public has a two-fold interest in this dispute—

(a) The cost of coal, which the public must pay.

(b) The justice of the settlement and its bearing on the future welfare of the republic.

Public opinion should be better informed than it is. Unfortunately, its interest is only excited when there is a scarcity of coal caused by strikes or threatened strikes.

The public rarely concerns itself about coal problems when the commodity is plentiful and cheap. It cares little about the welfare of the miner, his earnings, his living conditions or intermittent employment.

It cares less about the returns to the operator. The operators' investment does not interest it. There is little knowledge of the fact that billions of dollars are at stake, that years of experience, foresight, engineering knowledge, business acumen are required, and that it now takes two or three years' time and a large capital outlay to open a coal mine. The operator has developed the mines of this country and they now have a capacity to produce 30 per cent to 40 per cent in excess of any normal demand, so that in this respect the nation is guarded against any shortage of this essential fuel, even at the highest peak of industrial activity.

Surplus of Miners

That the industry has attracted too many men is evident. There are 150,000 more men dependent on the bituminous mines for a living than can be constantly employed in supplying the country's needs.

Why is this?

First—The business appeals to a certain class of employers. It is highly speculative, owing to the uncertain character of the coal deposits. It has elements of luck that always fascinate and draw men to mining enterprises where they hope to find minerals of exceptional value and cheap extraction cost. There are interesting market problems. The engineering and managing problems are exacting and a source of pride and satisfaction when successfully met. When good reserves of coal, favorable mining costs and access to large markets are obtained, it is an attractive proposition for brain and capital. Unfortunately for the public, that always wants cheap coal, these favorable conditions combined are rare. Nevertheless, the operator has created by his initiative thousands of mining communi-

ties in 28 states where the opportunity is afforded to work and live under comparatively pleasant conditions.

Second—If the miners' lot is as pitiable as the professional labor leader describes in harrowing words, why is it that the industry has attracted 30 per cent more men than are needed? Is it not accounted for to some extent that the work is attractive as compared with other vocations; that the nature of the work, while dangerous, gives a man more freedom; that the contract miner, who represents 60 per cent of the men around the mine, is his own boss to a great extent. If he works hard and intelligently his results are better, he can lay off, and does lay off when he pleases. In the mine he is free from inclement weather. He is through his day's work at 3.45 or earlier, when other men are still toiling until 5 in offices and factories, or on the farm until sundown. He knows that he is in a better job than most manual workers, and does not envy the clerk, steel worker, factory hand, farmer or switchman. He has more leisure and no time-clock to punch before or after work.

Is National Problem

These are some of the reasons you have too many mines and too many miners today, and yet it is a national problem in which the public has an interest that will soon assert itself, demanding its supply of coal at reasonable prices and in a dependable way, free from the nightmare of no coal due to strikes.

What is the answer?

One is obvious: That the present system of adjusting wages has broken down.

The sentiment of this country is against monopoly, whether of capital or labor. The union organization has developed into a monopoly in certain districts. Only the non-union districts stand in the way of complete domination. You cannot do collective bargaining with a monopoly. A monopoly dictates. For instance, John L. Lewis says, "The operators will not be permitted to abolish the check-off."

The administration is naturally anxious to avoid a strike. It requests a conference of central field operators to adjust matters. In my judgment it makes a mistake and confuses the issue in the public mind in requesting it, simply because there was a clause in a forced contract calling for such a conference.

"Rule or Ruin Policy"

If the conference were held under existing conditions it would be a farce. The union has committed itself to a rule or ruin policy. They publicly proclaim they will not negotiate on any basis without the check-off or accept a reduction that would enable union operators to meet non-union competition, and say that non-union labor has been degraded into slavery. What nonsense!

The non-union miner is a man with an opinion of his own and who is resisting slavery to a union whose radical leaders do not allow

their followers to assert their manhood. The only real hardship existing today in the coal fields is in some sections of the union fields where men are entirely out of work following their leaders for a phantom scale and getting an empty pay envelope.

The solution is not to be found in the old methods of the union. It must be found in the local districts, where local conditions govern the relation of miner and operator, where conditions of the market which each district serves can be discussed, and where local conditions can be considered and worked out equitably.

Government Must Control

The Government will and must be supreme. It must see that the rights of the public are guarded; that the Constitution, which union monopoly threatens, is preserved; that the right of men to work for whom they please, under such conditions as they please, is protected.

What is needed is more basic facts in the Government's possession as to the industry as a whole—facts that cannot be distorted to further fake theories of communists or vote seeking politicians, but facts that will give the intelligent public at all times a true insight into the problems of this great and vital industry.

The assertion that the operator has no concern in his employes that is made by union leaders is false. The operator knows full well the advantage of contented workmen, and is more keenly alive to their needs and welfare than union leaders who seek control of the industry to satisfy their lust for power. The operator is not free from economic laws, nor does he dare ignore the laws of the country as union leaders do.

Ruthless competition is to be deplored. It affects the miner and the operator unfavorably. But what industry or occupation is free from it? Is the farmer free from the laws of supply and demand? Is any other class of workers? And is not the country's present and future bound up in the prosperity of its workers?

By W. JETT LAUCK

Coal is a public essential. In its production and distribution the public interest is predominant. The causes which have produced the existing threat of dislocation and open warfare between operators and mine workers in the industry are openly violative of the public welfare. They have already been unreservedly condemned by enlightened public opinion.

This is manifestly true for the reason that the entire labor situation in the soft coal industry at present revolves on one question, "Shall the industry be unionized?" Twenty-four years ago—or in 1898—some of the more sagacious and far-seeing operators, including the late Senator Mark Hanna, decided this question in the affirmative. They brought about the first interstate conference between the United Mine Workers of America and the operators.

It was the hope of the operator who originally entered into trade union agreements, as well as those who entered later, that the entire

industry would be unionized. An over-expanded industry would have thus been standardized so far as wages and working conditions were concerned. Competition would have then proceeded according to natural advantages or strategic location of mining operations to the markets. Competition for markets for coal would not have degenerated into a contest between operators as to which group could most successfully exploit mine workers.

District Policies

But operators controlling rich deposits of coal in West Virginia, Kentucky and Alabama, and especially the United States Steel Corporation and its allied companies, would have none of the far-seeing and public spirited policies of the operatives in the central competitive field. If they were foolish enough to agree with the union to work reasonable hours, and to pay adequate wages, the Steel Corporation and its associates would not do so. They would rather profit by it by underselling the union operators. Human standards did not appeal to them. Labor was a commodity in their opinion should be purchased at the cheapest price. Their business, as they have interpreted it, has been to produce coal more cheaply than their competitors, even though the mine workers were underpaid and overworked. They have, therefore, relentlessly fought the United Mine Workers of America and union standards of work and compensation.

The union operators have been gradually approaching the breaking point for a number of years. Their acceptance of unionism was conditioned upon its general acceptance in the industry. Their survival is now imperiled by the methods of the Steel Corporation and their anti-union associates in West Virginia and Alabama.

The manifest duty of the public is to see that the industry is unionized. The public will thus be saved the enormous losses of strikes and warfare in the industry. The industry will also by this method be stabilized, method of production improved and reduced in cost, and the consumer charged less for his coal.

Right to Organize

Enlightened public opinion, including churches of all denominations, has declared that industrial workers shall have the right to organize and bargain collectively through representatives of their own choosing. This fundamental right, together with a series of other underlying industrial guarantees to employes, has been recognized in Congressional regulations and officially promulgated in the form of an industrial code by the Railroad Labor Board. Recently former Senator Kenyon, after an exhaustive inquiry into the mining situation in the non-union districts of West Virginia, recommended that Congress by legislation make the right to organize, to a living wage, to an eight-hour day, and to other fundamental industrial privileges mandatory upon all industrial conditions and relations in West Virginia and in the entire coal mining industry.

The public, as a matter of enlightened policy as well as to protect its own material interests, should see to it that former Senator Kenyon's proposals for an industrial code should be carried into effect. The non-union operators will never agree to their observance unless they are covered by Congressional action. If there should be a strike, and it should be followed by the election of an arbitration board or commission as in 1920, to adjust the matters in controversy, the principles set forth by former Senator Kenyon should be mandatory upon this arbitration board.

Code of Principles

By adopting a code of principles such as the Kenyon proposals, complete unionization would be a public advantage. The public interest would be predominant and would be conserved. The rights of the mine workers would be guaranteed. The rights of capital and of the operators would be protected. Coal could be produced at a minimum cost. Industrial peace by conference and negotiation between mine workers and operators on the basis of established principles would supplant constant friction and open warfare.

Such a situation as we now have would be inconceivable in Great Britain. Complete unionization of industries there has for many years been recognized as advantageous to industry and the public, and is openly stimulated and promoted by the Government. Trade union negotiation and agreement on the basis of nationally recognized principles are not only sanctioned, but actually encouraged. The same conditions of affairs is also true of some of our basic utilities and industries such as steam transportation industry. The public interest is dependent upon similar action in coal mining.

With present day large scale, highly competitive industry, it is futile to hold that the trade union agreement may be good for particular groups or districts, but it is bad when extended to cover an industry as a whole. The local union, like the plant union, in a large industry such as coal, is by itself almost as helpless as the individual worker. To oppose the national union and the national agreement is, as things now are, to oppose the whole principle of unionism. Very few thinking men are doing this today. The non-union operators of West Virginia and other sections are supported in their anti-union attitude by only one notable industrial leader—Mr. Gary of the Steel Corporation—and by none of the leaders in other walks of life.

Capital Invested

According to the latest Federal census, the capital invested in the bituminous coal industry amounted to $1,903,652,365. If we assume that the capacity of the mines now operating is 800,000,000 tons per year and the annual demand for soft coal under normal conditions does not exceed 500,000,000 tons, it follows that the coal required could be produced with $760,000,000 less capital outlay or approximately three-fourths of a billion dollars.

The tremendous waste to the public resulting from the over-expansion of the industry has been nowhere better expressed than in an address to the American Mining Congress on Oct. 19, 1921, by

George Otis Smith, director of the United States Geological Survey. He said:

> "Our soft coal business has perhaps become the classic example of irregular employment, for the average bituminous mine in the United States can expect to run only about 215 days in the year.
>
> "The wastes in the mining industry due to irregular employment should rather be regarded as a series of leaks that must first be laid bare and then stopped—such leaks as the unproductive hours of the worker, the higher daily wage that must go with the short year, and the fixed charges and depreciation not only in idle mine plants, but on idle cars and other railroad equipment. No accountant can add up the total waste through such a line of leaks, but Eugene McAuliffe's bold attempt gave him reason to believe that the annual cost to the nation is not less than $500,000,000."

Idle Labor Loss

This conservative estimate of loss because of idle labor and capital in the industry is roughly equivalent to $1 for every ton of soft coal consumed each year in the United States. At prevailing rates of pay the average labor cost of producing a ton of soft coal in 1921 was $1.97. If the losses of over-expansion and irregularity were eliminated, therefore, wage rates could be advanced 50 per cent without additional cost to the consumer, or existing wage rates could be maintained as requested by the United Mine Workers and the price of coal to the consumer reduced $1 or more per ton.

Relief from these deplorable conditions can only come through governmental intervention or from the initiative of the industry itself. The most immediate and practical remedy would be the incorporation in the forthcoming wage adjustments of a provision requiring operators when employing their forces to guarantee employment for a specific period, say, three months or longer, whether the mines were open or not. This would put the responsibility on the operator of producing continuously for a certain period whenever operations were started.

Stabilizing Production

Over-expansion, with the smallest loss and dislocation to all concerned, would thus be gradually eliminated, production would proceed upon the basis of the best situated mines, profits would be more uniform and the mine workers would be given an opportunity to work regularly and under normal conditions. The excess capital and labor in the industry by easy stages would be absorbed by other industrial undertakings. If this method is not accepted or adopted Government control in the near future in the public interest will be inevitable.

Profiteering by soft coal operators during and since the war has been rampant, and has been exceeded by only a few other industries. The public has been grievously and indefensibly exploited. Recently the Federal Trade Commission by legal action on the part of the

operators has been prevented from developing the facts as to costs of production of coal and profits realized by operators and wholesale and retail dealers. The public by appropriate legislation should insure the restoration and extension of the power of the Interstate Commerce Commission so that the facts may be constantly open to public scrutiny.

Victims of Profiteering

The mine workers, along with other public groups, have been the victims of this orgy of profiteering. Their wages have been inadequate and have constantly lagged behind the cost of living. Labor costs have in no way been responsible for excessive coal prices, the labor cost of mining soft coal increased from 1916 to 1921 about $1 per ton. During the same period, the average retail price of bituminous coal in the country as a whole increased according to the United States Bureau of Labor Statistics $4.80 a ton, or nearly five times the increase of the labor item.

The gross margin of profit of the bituminous coal operator, in 1921, was about the same as it was in 1916. During the four years, 1917-1921, the margin rose to unprecedented amounts. In some instances it was ten times as great as it had been before, and resulted in greatly swollen profits to the operators, but the deflation in coal prices brought about by the industrial depression that started late in 1920 reduced the margin during 1921 to approximately the pre-war level.

The pre-war level of margins, however, though sometimes less than 10 cents per ton, was enough to warrant substantial dividends, so that the swollen profits of the war and post-war periods, even with the excess profits tax deducted, were sufficient to carry the operators over several years as lean as 1921. The bituminous mine workers, on the other hand, without savings, and never far from starvation, have borne the entire brunt of the depression and have lost, through part time operation and unemployment, every advantage they hoped to have gained through the award of the commission of 1920.

Rebuttal

By W. JETT LAUCK

To my mind the outstanding error into which the soft coal operators have fallen is well exemplified by the statement of Mr. Watkins that "there is no reason for a strike at this time except an overbearing ambition for complete power in the soft coal fields on the part of those who now direct the destination of the organized mine workers."

The truth is exactly the contrary. When the soft coal operators refused to fulfill their solemn agreement to enter into conference with the mine workers, when they obstinately clung to their refusal in despite of the appeals of the Government, when they flouted the rights of the public, they, by so doing, made a suspension of work in the coal fields absolutely inevitable. And all the time the operators knew perfectly well that they were forcing upon the country the grave dangers, inconveniences and hardships that will necessarily follow the stoppage of the fuel supply, but they do not appear to care and can only raise the bogey of imagination as a justification.

The operators have not measured up to their agreement. The breakdown in the coal industry is the result.

Workers Forced to Act

Suppose the mine workers now said, "We will continue to dig out all the coal you want after April 1," at what wage would they be working and how would this wage be set? Obviously, it would not be at the wage established by the President's Bituminous Coal Commission, and equally obviously it would have to be at whatever wage the operators might see fit to dole out.

American industry has long since passed the point where absolute despotism can be tolerated either from employes or from employers. Freedom of contract is surely a misnomer where either party refuses to meet and confer with the other and to submit all matters remaining at issue to the arbitrament of an impartial tribunal, and where, as in the soft coal industry, there exists a well defined course of procedure for arriving at the just settlement of all questions—a source of procedure that was agreed to by properly authorized representatives—then all the onus and blame of precipitating a costly and foolish struggle must rest squarely upon the shoulders of the operators, who now contemptuously refuse to abide by their plighted word.

Cost of Living Conditions Too Low

The citation of 61 per cent. increase in cost of living since 1914 by Mr. Watkins is wrong. His estimate must be based on the figures of the National Industrial Conference Board, an employers' organization without the slightest scientific standing.

The official Government figures of the United States Bureau of Labor Statistics, which are inevitably accepted as authoritative, show an increase to December, 1921, of 77 per cent.—not 61 per cent. The estimate regarding rent is also entirely wrong, even if company

houses did not increase rent and if rent is as low as stated—$7 to $12 per month—the percentage of family income going for rent would be far less than 17.7 per cent., probably not over 5 per cent. As a result the general increase in cost of living would be about the same in mine towns as elsewhere.

Pre-War Rates of Pay Inadequate

The fact that the mine worker received only $2.64 a day (Mr. Watkins' figure) in 1914 is the fundamental point at issue. Since the average man in the bituminous coal mining industry in 1914 got no more than 200 days' work in that year, this means that annual earnings were then less than $525 per year—a hopelessly inadequate wage for even physical subsistence even at pre-war prices.

With this base to build upon the increases in rates of pay since that time taken in conjunction with the limitation of days worked and increased prices mean nothing more than the fact that inadequate pre-war standards have been perpetuated to the present day and that the mine worker, even with his increased money rates of pay, cannot hope to earn a living wage.

Employers Cannot Remedy Trouble

In Mr. Watkins' third article he truly points out that the bituminous industry has in it too many men. He erroneously infers, however, that therefore the work is proved to be attractive and the remuneration more than adequate, and he gives as his answer the startling statement that the present system of adjusting wages has broken down.

But although he also points out the fact that there are too many bituminous mines, that altogether too much capital has been attracted to the industry, and that the mines are developed by their owners to a capacity far beyond the needs of the country, he fails to infer that the profits of capital have been more than adequate, and he is loth to apply to capital the drastic remedies he favors for labor.

There is no question about the over-development of the bituminous industry, or that there is tied up in it too much capital and too much labor. The vice-president of the Peabody Coal Company, of Illinois, stated to the Senate Committee on Manufactures that "the large mines of this country can produce in 250 days, any year, all of the coal that this country, Canada and all the export business requires."

Both Sides Face Ruin

The result of this over-development, of course, is a tremendous irregularity. The average number of days worked by the mines of the country over a period of 30 years was not more than 215 per year, and during 1921 it is probable that the average of the country fell at least as low as 169 days worked, while in some districts (for instance, in Southern Ohio) the days worked were probably under 100. With operations like this, neither capital nor labor is receiving a living wage.

A remedy for this condition must be found and applied, but the burden can not be thrown upon the mine workers in the form of inadequate wages. Labor did not open the mines, had no voice in determining development policies and is absolutely without power to rectify the evil. It is a problem for the owners of the industry to solve themselves and if they are unable to find a proper solution the public, for its own protection, will be obliged to take the industry into its own hands.

The only method by which the industry can right itself and maintain its independence is by the guarantee on the part of the employers of a fair degree of employment. Otherwise, daily rates must be even higher than at present in order that the worker may secure a sufficient annual wage for his own and his family's needs.

Union a Lawful Organization

The United Mine Workers of America is a lawful and responsible organization. The courts have decided this to be true despite the operators' absurd contentions to the contrary. It is not only a lawful organization, but of great public usefulness. It does not favor the expropriation of private property.

The United Mine Workers believe in the nationalization of the coal mines to be accomplished in a perfectly legal way, with proper safeguards to the public interest and with adequate guarantees to the capital invested in the industry. This belief is held by a large and growing number of our citizens as the only permanent solution of the coal problem. This, however, is a very different thing from the forcible expropriation of private property, which the operators charge is one of the objects of the United Mine Workers' organization as evidenced by the preamble of its constitution.

The preamble of the constitution of the United Mine Workers, revised in the convention of 1912 and as cited by Mr. Watkins, reads, in part:

"Believing that those whose lot it is to toil within the earth's recesses, surrounded by peculiar dangers and deprived of sunlight and pure air, producing the commodity which makes possible the world's progress, are entitled to protection and the full social value of their product, we have formed the 'United Mine Workers of America' for the purpose of establishing, by lawful means, the principles embraced in the body of this constitution."

No Radicalism Meant

An examination of the wording of this preamble in relation to the body of the constitution, is also the study of the conditions under which the particular language was framed indicates that the words "the full social value of their product" have absolutely no significance as regards property ownership.

In the first place, it should be noted that the words referred to are immediately followed by a statement of the purposes of the organization. In this statement it is carefully set forth that the organization had been formed "for the purpose of establishing by

lawful means the principles embraced in the body of this constitution."

Turning to the constitution itself, in which the objects of the organization are presented in Article 2, it is found that the purposes of the organization as there expressed in detail are in full keeping with the traditional trade union policies, which accept the present industrial system so far as the rights of property are concerned. This is perfectly clear upon a reading of Articles 1 and 2 of the constitution of 1912, which set forth the scope and objects of the organization.

Jefferson No Communist

To say that this phrase "the full social value of the product" has the revolutionary meaning that Mr. Watkins contends is as logical as it would have been to say in 1776 that Thomas Jefferson and other American patriots were revolutionists and communists because they stated in the Declaration of Independence that "all men are created equal."

This charge by the operators is, as a matter of fact, without foundation. The history of the United Mine Workers of America for the past 25 years is a complete refutation of it. The union, like any other large democratic organization, has had extreme factions, such as the Kansas group at present. It also has another so-called radical group which is intelligently progressive and which is studying plans for the nationalization of the industry. The national leadership has been honorable and conservative. District leaders have been expelled and local units suspended for violating contracts with the operators. The nationalization group has been assisted in being intelligently and moderately conservative.

The system of local or district collective bargaining as recommended by Mr. Watkins would be unjust and unworkable. Local collective bargaining would tend to develop reckless and irresponsible union leadership or the playing of one operator against another, on the one hand, or, on the other hand, would enable the operator to crush the local organization or bend it to his will.

If there is any weakness now in the union it lies in too much local autonomy. The interests of the operators are in dealing with and strengthening the influence of the national organization, and in not attempting to resort to local agreements. All basic industries are now organized from an employers' standpoint on a national basis. This is especially true of the coal industry. The employes, in order to protect their fundamental interests, must also organize and meet with their employers on a national basis or an equal footing.

National agreements contain only the fundamentals as to wages and working relations, union recognition, the basic workday, the general basic rates of pay, etc. Local conditions are adjusted afterward by local conferences and arbitrations. The interests of the different districts are harmonized. The national conference and agreement therefore, recognizes only the fundamental principles and rules, which should regulate the whole industry. The Railroad Labor Board has recently promulgated a similar set of principles and rules for the transportation industry. These are the fundamental and general

guarantees for the whole industry. Local adjustments are left for local conferences.

The difficulty in the soft coal industry is that certain non-union operators will not recognize the principles contained in the national or union agreement. They will not deal with the union or subscribe to the national agreement. The union is not, therefore, a menace to the industry. The principles and standards contained in its national agreement as to working relations are sanctioned by enlightened public opinion. The trouble is with the non-union operator, who will not accept human standards.

The industry must, therefore, be completely unionized. The interests of the operators and of the mine workers must be fully protected so that it may function properly and efficiently in the public interests. The only practicable and acceptable measures for bringing this about, so far as the writer knows, are contained in the recent recommendations of former Senator Kenyon for a code of principles to govern industrial relations and conditions, mandatory upon the entire soft coal industry.

By T. H. WATKINS

Having complied with your request to present, from an operator's viewpoint, the differences at issue in the present coal crisis—I hesitate somewhat in trespassing on your readers' patience by further arguing the case. Both Mr. Lauck and I have given our views on three phases of the problem, viz., "The Present and Proposed Scale," "Collective Bargaining," "The Public Interest." Nevertheless, a summing-up or review of the arguments is here presented at your request.

In the first place, I wish to contest two statements made by Mr. Lauck, which I believe convey a false impression.

Mr. Lauck says "the mine workers are requesting a continuance of the present scale for another period of two years." This is not true. They do not request, but demand the present scale of rates on a six-hour instead of an eight-hour day and a guarantee of five work-days a week, this demand accompanied by a strike order if not granted. This change would result in increasing the present cost of coal at union mines for labor and overhead at some mines of $1 per ton.

Award Upset by Threat

Mr. Lauck refers to the award of the Bituminous Coal Commission, stating "wages of day workers were increased $1 per day and later by conferences were increased $1.50 per day." Why were they increased? Answer: Through threat of another strike, notwithstanding that the miners agreed to stand by the award of the commission. On April 1, 1916, a contract was made for two years; on May 8, 1917, a strike threat resulted in an advance; in October, 1917, another strike resulted in another advance being granted through the mediation of Dr. Garfield; this award was to last until April 1, 1920. On Nov. 1, 1919, a national strike was called through the failure of the Central Competitive Field Operators agreeing to grant 60 per cent advance with a six-hour day, five-day a week program.

Says Lauck Proves Contention

Your readers can properly say—enough of such historical references. Where are we at now? And where are we going? Mr. Lauck in his comments on collective bargaining gives the answer to both questions. Here they are:

> As a part of this agreement the United Mine Workers of America was under the obligation to extend its conditions to all other fields, so as to bring about uniformity in competitive conditions. This desire of the union to organize other fields was not a result of a conspiracy between the organization and the operators of the central competitive field, as has recently been so absurdly and unsuccessfully claimed by the non-union operators of West Virginia. The obligation was nothing more than the union would have attempted under any conditions—to extend itself as widely as possible. As a practical measure, in order to insure the stability of the organization itself, it was essential to do this. Either the union must establish itself in all the strategic fields or be in constant danger of disruption. This was particularly true in the case of West Virginia, which was generally recognized even in 1898 as a coming coal state of tremendous importance, having huge deposits of coal reclaimab[illegible] unusually cheap and easy conditions of mining.

The public should thank Mr. Lau[illegible] candid statement of the union's aims. "Huge deposits of c[illegible]ble under unusually cheap and easy conditions" must [illegible]nder union domination and made to cost as much to the p[illegible]e public) would stand.

Says Issue Is Clear-Cut

The issue is this: Will the public permit, or throug[illegible] allow, the creation of a monopoly that can at the dic[illegible] small executive board at Indianapolis stop the entire pro[illegible] coal throughout this country? The non-union operators and [illegible] of this company are standing as the only obstacle in the way [illegible] moment of this autocratic control.

How can this dangerous probability be avoided? In my jud[illegible]ment only through arousing public sentiment to a knowledge that this issue is not merely a wage problem and that even the cost of coal is not the vital issue.

In 1902 this same union caused untold suffering and loss by a six months' strike in the anthracite fields. The commission appointed by President Roosevelt to settle that strike said in its award:

> "The union must not undertake to assume or to interfere with the management of the business of the employer. It should strive to make membership in it so valuable as to attract all who are eligible, but in its efforts to build itself up it must not lose sight of the fact that those who may think differently have certain rights guaranteed them by our free Government. Abraham Lincoln said: "No man is good

enough to govern another man without that other's consent." This is as true in trade unions as elsewhere. Our language is the language of a free people and fails to furnish any form of speech by which the right of a citizen to work when he pleases, for whom he pleases and under what terms he pleases can be successfully denied. This all seems too plain for argument. Common sense and common law alike denounce the conduct of those who interfere with this fundamental right of the citizen. The assertion of the right seems trite and commonplace, but that land is blessed where the maxims of liberty are commonplaces.

The commission "adjudged and awarded that no person shall be refused employment or be in any way discriminated against on account of the membership or non-membership in any labor organizations and that there shall be no discrimination against or interference with any employe who is not a member of any labor organization by members of such organization."

Far From Those Principles

We have strayed far from those principles in the union fields. We operators have weakly yielded [illegible] the union's threats, so that we have forced, through the [illegible] system of collecting dues for the union, all men to belon[illegible] support the union with their money whether they wishe[illegible]

Mr. Lauck [illegible] fair attack and attempts to bring odium on the Unite[illegible] el Corporation and Mr. Gary by charging that comp[illegible] g behind the West Virginia operators, who refused [illegible] the dictation, threats, terrors or actual warfare of th[illegible] admits many lives have been lost in the efforts to un[illegible] districts and that millions of dollars have been spent [illegible] in the struggle.

[illegible] ver may have been the condition in the past, no impartial [illegible] can travel through the non-union fields controlled by private [illegible] ations as well as by the steel corporation in West Virginia, or [illegible] gh the non-union fields of Pennsylvania, controlled by independ[illegible] t operators, and fail to be impressed with the prosperous, con[illegible] ented look of the workers and their families, their comfortable homes and everything that tends toward a respectable community life that is equal, if not superior, to any union district in the United States.

Union Field and Employment

The suffering, if anywhere in the coal regions that has resulted from the business collapse of the last year, is in some parts of the union fields where economic conditions have been ignored.

Seasonal variations in the production of bituminous coal are grossly exaggerated.

Taking the bituminous business of the nation as a whole its stability from a production standpoint leaves nothing to desire. From 1913 to 1920 the record is as follows:

PRODUCTION

Year.	Summer (Apr. to Oct.)	% of Yr.	Winter (Oct. to Mar.)	% of Yr.
1913	230,651,000	48	247,783,000	52
1914	194,647,000	46	228,057,000	54
1915	209,561,000	47	233,065,000	53
1916	233,080,000	46	269,440,000	54
1917	274,531,000	50	277,260,000	50
1918	308,890,000	53	270,496,000	47
1919	239,748,000	52	218,315,000	48
1920	265,137,000	48	291,426,000	52
Total	1,956,245,000	49	2,035,842,000	51

I doubt whether any other industry in the world can show such a uniform seasonal production.

Monopolistic Principles Charged

The trouble with the union fields is that they apply monopolistic principles to an industry which they have not yet monopolized. Furthermore, frequent strikes and excessive costs have destroyed the good will of the buyer. In every slump he gives the preference to non-union mines where he can secure fair prices and reliable service. Work during these periods is intermittent in union fields.

Not even in the great depression of 1921 did national production fall off as it did in other lines of business.

The average weekly production of the six years 1915-1920 was 9,907,000 tons.

The average weekly output of the summer months of 1921 was 7,491,000 tons—fully 75 per cent of the average, including abnormal war demands. If many union mines were idle, or forked only 80 to 100 days, there is no one to blame but the union.

It is true that the industry is over-developed. Nature was extremely generous to the United States in the quantity and accessibility of its coal beds. Mining has always been an attractive field for American enterprise and capital.

Individuals and corporations have gone farther than was necessary or wise in the development of those beds.

There are many thousands of mining companies, and no semblance of any operators' monopoly—and no possibility of it.

The public wants its Sherman laws and Clayton acts to prevent concerted action by employers. A certain amount of waste and confusion is bound to result from laws which prevent the employers from co-operating to improve the general conditions of their industry.

Labor must suffer to some extent along with the operator and the public so long as these laws stand and prohibit constructive trade agreements.

Sufferings of Labor

Labor has suffered the least, because higher wage rates have usually compensated for the fact that 210 days is the average working time of all coal mines during the past 30 years. High wages has re-

sulted in attracting over 100,000 surplus men to the industry, which could never have happened if intermittency of employment was one-half so serious as the miners picture it.

The fact that there are too many mines actually hurts nobody but the investor and employer who open the unnecessary mines.

If the miner's earning power is balanced fairly with that of the workers in other industries, then there will be no surplus labor or incompetent workers attracted to the mines, and the skilled men who naturally belong there will have steadier work and bigger pay envelopes. The public will have cheaper coal. The number of available miners is after all the measuring stick of "over-capacity."

Demands of the Operators

The operators are not asking drastic wage reductions. They are only asking the miner to accept rates which will balance his earnings with those obtaining in other industries, making due allowance for the extra hazards of his employment.

I believe this is the only logical way in which the American people will ever secure a steady and fair-priced supply of the fuel with which this country was endowed by nature in such enormous and accessible quantities.

To surrender these resources to a labor monopoly controlled by a small council in Indianapolis, whose aims are openly communistic, is an act of folly for which I do not believe the country is yet prepared.

Important Facts Ignored

Mr. Lauck is not content with confining his argument to the fact that the present strike is called because the union insists on forcing the Pittsburgh and Southern Ohio operators back into the central field conferences. He ignores the fact that those operators have requested the union officials of their districts for a conference to discuss wage problems.

He ignores the fact that central Pennsylvania, representing 10 per cent of the total production of the United States and which has never been in the central field conferences, has asked its district union for a conference, and has been refused, and whose men have been ordered to strike without extending even the courtesy of a request to the operators to meet them for the purpose of discussing the new wage agreement in that district.

He ignores the fact that all union districts are willing to meet their men or their representatives.

It may well be that in order to release many good miners and citizens from the tyranny of the union that now terrorizes them into its support a tribunal authorized by law to conduct a compulsory inquiry is the proper solution. Such a tribunal, if selected from prominent public spirited citizens, men free from political ambitions, interested only in supporting our present form of government and the liberties guaranteed thereunder, may eventually be the only method of giving the public the basis upon which it can form a definite and lasting opinion of the principle which must govern the production and distribution of the nation's coal resources.

END OF
TITLE